

**ICC Docket Nos. 07-0241 and 07-0242**  
**The Peoples Gas Light and Coke Company's**  
**and North Shore Gas Company's Response to**  
**Staff Data Requests DLH 23.01-23.02**  
**Dated: August 2, 2007**

**REQUEST NO. DLH 23.01:**

Referring to North Shore/Peoples Gas Ex. LK 2.0, lines 94-104, explain the Companies' rationale for their position that 2007 collection agency fees are not a good estimate of the expected level of collection agency fees for the first year that the rates set in this proceeding will be in effect given that the settlement only affected accounts written-off prior to September 30, 2005.

**RESPONSE:**

Under the Gas Charge Settlement, the Companies agreed not to attempt collection of accounts that were written off and remained uncollected as of September 30, 2005. An account is placed with a primary collection agency 110 days after the final bill due date for a period of 12 months. If the bill remains uncollected at the end of the 12 month period, it is recalled and assigned to a secondary collection agency for an indefinite period or until the bill is collected. Therefore, it is not uncommon for collections results to take place several years after the bill was turned over to an agency. The settlement resulted in the Companies' forgiving much of the secondary agencies' inventory. It also caused the Companies to re-organize the secondary agencies used. Contracts with existing secondary agencies were terminated around June 2006 and were not re-established until July 2007. These factors combined to cause a significant reduction in collection agency fees that affected fiscal year 2007 and, in the Companies' opinion, make that year inappropriate as an estimate of normal activity.

**OFFICIAL FILE**  
I.C.C. DOCKET NO. 07-241-242  
NS/PGL Cross Exhibit No. 6  
Witness Hartshorn  
Date 9-12-07 Reporter BMP

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